

## ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Grace Commission Report

Deputy Director for Policy, Analysis  
and Evaluation/OP

EXTENSION

NO.

DATE

2 February 1984

TO: (Officer designation, room number, and  
building)

DATE

RECEIVED

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OFFICER'S  
INITIALSCOMMENTS (Number each comment to show from whom  
to whom. Draw a line across column after each comment.)1. Director, OTE  
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Here is the report discussed  
with you today. Please note  
Harry's 24 February deadline.Suspense -  
22 Feb.  

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DDA 84-0195

19 JAN 1984

MEMORANDUM FOR: Director of Personnel

FROM: Harry E. Fitzwater  
Deputy Director for Administration

SUBJECT: President's Private Sector Survey on Cost Control

1. Forwarded herewith is a copy of the task force report completed by the President's Private Sector Survey on Cost Control (Grace Commission) on Personnel Management.

2. As you know, the DCI is interested in these reports and the possibility of adopting, where appropriate, whatever we can glean from their recommendations. It is, therefore, requested that a review of the attached report be conducted by the Office of Personnel. I would appreciate comments on the applicability of the report to the Agency. Please comment on the task force recommendations which can be adopted by the CIA (along what time frame) and which cannot be adopted by us. I am, of course, interested in your comments on all aspects of the report.

3. I intend to forward a detailed report to the DCI on a wide variety of topics examined by the Grace Commission. Please forward your report to me by 24 February or earlier, if feasible.

STAT

[Redacted Signature Box]

Harry E. Fitzwater

Attachment

## II. ISSUE AND RECOMMENDATION SUMMARIES (CONT'D)

### D. TRAINING AND DEVELOPMENT SERVICES

#### PER 13: INSTRUCTIONAL TELEVISION PRODUCTION FACILITIES

##### Issue and Savings

Should the Office of Personnel Management (OPM) act as "broker" and coordinate the utilization of the approximately 25 separate Government-operated television studios in the Washington, D.C., and Baltimore area?

The Federal Government spent more than \$50 million in FY 1981 on audiovisual materials of all types which were identifiable as separate productions or published items. Centralized purchase of services and products would result in at least a 15 to 20 percent reduction in purchasing costs. This reduction would mean potential savings of \$7.5 million per year -- adjusted for inflation, \$24.9 million in the next three years.

##### Background

In an executive memorandum dated April 13, 1978, the Office of Management and Budget (OMB) indicated concern about the waste of Federal funds in the production of audiovisual materials. Specifically, the memorandum asked each agency in part to "conduct a comprehensive review of past expenditures for various audiovisual materials." Furthermore, a moratorium was imposed on unnecessary production of instructional software by outside contractors unless it could be shown that such software was essential to accomplishing the agency's mission or that the lack of such software jeopardized the agency's performance.

Under the Government Employees Training Act, OPM is charged with the responsibility of providing leadership and coordination for training and technical assistance throughout the Federal Government. The Instructional Systems Branch of OPM's Office of Training provides assistance in a number of areas: task analysis, planning, design, script-writing, preproduction, production, postproduction, validation, duplication, and distribution services. This branch is also involved in sponsoring a Resources Sharing Project which brings together various physical and human resources whose specialties or expertise can be shared with other agencies in the Federal Government.

### Methodology

Interviews were held with members of OPM's Instructional Systems Development Branch to determine the scope of TV production facilities in the Washington, D.C., and Baltimore area. We limited our review to this area since it appeared to offer the best opportunity for resource sharing. The Resource Sharing Group roster yielded the population of TV specialists who were contacted. Telephone and/or on-site visits were made to 20 of the 25 TV production facilities.

The interviewees were asked to respond to the following questions:

- o To what extent do you have excess production capacity?
- o If you have excess capacity, would you be willing to share it with other agencies?
- o Do you have other capabilities you would be willing to provide to other agencies?
- o Would you prefer to have a central source coordinate or otherwise "broker" your excess capacity and services?
- o What services would you like to have provided by some other agency facility?

### Findings

Of the employees contacted, 67 percent indicated they favored some form of centralized coordination of effort on their behalf. When asked about what form this should take, they suggested a clearinghouse approach for space utilization and services which could be "borrowed" from other facilities.

On the question of underutilization, the estimate was that about 22 percent of the resources were not being utilized. However, after its on-site discussions and its examination of the kinds of finished productions produced at each facility visited, the Task Force believes that closer to 33 percent of the resources are underutilized.

Some agency studio personnel also indicated that central brokering would cut down on expensive start-up time created by clients coming in unprepared and wasting studio staff time. In addition, there are a number of services

that studios contract for on the outside, either because they do not know what other Government studios have available or because the service simply does not exist in the area where they operate. At the present time, some TV studios are using the Office of Training's resource sharing model with good results. An analysis of 18 in-house productions that used this resource sharing approach shows that the production costs of TV programs for instructional purposes were reduced by \$1 million through the sharing of equipment and technical expertise.

### Conclusions

There are obvious underutilization questions that need to be answered in the management of full-service instructional TV installations. Facilities of this type generally require expensive sophisticated electronic equipment. In addition, the technical skills of the staff command relatively high salaries and idle time is expensive.

The full complement of talents, skills, and services does not normally exist in any but the most up-to-date TV installation. Medium to small-sized installations simply cannot afford the luxury of all the skills and services they would like to have. Contracting for those skills and services can be expensive and time consuming.

### Recommendations

OPM has demonstrated that its efforts in sponsoring resource sharing efforts can save money. These efforts should be strengthened and expanded.

Based on the data collected and the comments of professionals associated with most of the 25 studios in the Washington, D.C., and Baltimore area, the following recommendations should be implemented:

PER 13-1: OPM should be designated to serve as a "broker" to identify and direct TV production requirements from the user agencies to the particular studio or studios most capable of delivering the product or service.

PER 13-2: OPM, working with OMB and General Services Administration (GSA), should develop a simplified contracting or procurement system so that studios can work with the brokering group to obtain whatever services or expertise they need to produce the programs. For agencies to go out one at a time for such services would require long lead times, which are not compatible with some of the quick turnaround time requirements of TV production.

PER 13-3: OPM should set up a simplified accounting and funding system to allow for the transfer of funds from the agencies to the broker, agency to agency, agency to outside contractor, or broker to contractor. Since OPM is already authorized to use a revolving fund system and a reimbursable cost procedure, it would be advisable to explore that method as a means of meeting agency needs.

### Savings and Impact Analysis

According to the Instructional Television Services Unit in the Office of Training, the future level of activity in instructional television will be considerably higher than it is today. The state of the art is progressing to the point where TV instruction will take on a more central role in training software. It is less expensive than film and more easily duplicated and distributed. Therefore, the savings that can be realized will be considerable. The improved management of existing space and talent will certainly result in greater productivity, and the brokering arrangement will take advantage of the strengths of each studio facility by sending projects to the most capable and appropriate studio. The ability to look ahead and plan future requirements is bound to be more efficient.

An analysis of 18 in-house productions that used the resource sharing approach indicated that costs were held to 83 percent of original budget. Projecting from this experience with the Office of Training's resource sharing approach, approximately 15 to 20 percent of instructional TV costs could be saved. Based on an FY 1981 figure of \$50 million spent on audiovisual materials, a conservative 15 percent reduction would give a savings of \$7.5 million per year.

At the present time, over 20 purchase order arrangements for TV services are in effect for everything from taping crews to talent agencies and raw tape supply houses. The ability to turn around quickly on requests for all kinds of services and products will result in significant savings both in terms of time saved and in favorable purchase prices.

There should be little or no cost in additional OPM staff to manage any of the above changes.

### Implementation

OPM should convene a group of specialists from the various facilities and obtain their consensus on the centralization approach. Based on this sharing of information, specific agreements should be reached on the recommendations

made. To the extent that the agency heads and their instructional television personnel agree, a policy and procedure document should be prepared, outlining the roles of all parties involved. Following this, a "marketing" effort should announce and promote this activity so that the anticipated economies can take effect as soon as possible.

## II. ISSUE AND RECOMMENDATION SUMMARIES (CONT'D)

### D. TRAINING AND DEVELOPMENT SERVICES (CONT'D)

#### PER 14: DUPLICATION OF SUPERVISORY TRAINING

##### Issue and Savings

Can a more centrally controlled and guided effort under the direction of the Office of Personnel Management (OPM) result in better quality, lower cost delivery of management training programs?

Significantly improved operational effectiveness and elimination of ineffective or duplicated management programs could result in cost savings of over \$20 million per year for a total, adjusted for inflation, of \$66 million over a three-year period. In addition, overall improvement in management and executive performance and improved morale and organizational effectiveness would result from a more systematic approach to the management of the training and development effort across the civilian governmental workforce.

##### Background

The legal basis for the establishment, maintenance, and upgrading of training in the Federal Government is established by several laws, executive orders, guidelines, and advisory procedures.

The law does not specifically authorize OPM to prescribe the types and methods of intra-agency training or to regulate the details of intra-agency training programs. It does, however, authorize the issuance of regulations containing the standards and principles under which intra-agency training programs are to operate. As a result, agencies are duplicating efforts in the design, development, and delivery of generic supervisory and management level training programs. Many of these programs are very similar in course content and training approaches both among agencies and between agencies and OPM.

In coping with the enormous amount of data regarding training activities, it is impossible to analyze each agency's actions in developing and conducting generic supervisory and managerial training programs. Those agencies not choosing to use OPM or non-Government off-the-shelf programs have the option under current practices to develop their own



programs. The agency which exercises this latter option should be able to show that this approach of "going it alone" is both necessary and more cost effective than using some "off-the-shelf" type of program.

### Methodology

Data collection was by two methods. Extensive interviews were conducted with central agency training officers. Depending on whether the development was by contract or in-house staff, the training officer was asked to provide a copy of the program and the cost and name of the program developer.

Printouts of contract actions of \$10,000 in value or more are reported by the Federal Procurement Data Center quarterly and year-to-date by product service codes. The eight product service codes for Training Services were examined. Detailed printouts of all procurement actions for training contracts exceeding \$10,000 were obtained for FY 1981 and randomly checked. Those individual contract actions that were obviously not associated with generic supervisory or management training were not considered for future investigation.

### Findings

The following agencies were visited, with wide variations in findings:

- o Department of Agriculture - The training function is decentralized, with the central office having responsibility for policy and record keeping. Each major subelement has its autonomous training function. The central office personnel indicated that little control is exercised over the individual units. Training of supervisors and managers, therefore, is carried out through a variety of means and at the individual organizational level. The central office often acts as a "broker" for meeting this type of training requirement. While precise training expenditures were not available, the central office estimated that 60 percent of such training was contracted out to consultants and 40 percent was handled in-house. In one instance where cost data were available, an outside consultant was paid to develop a standard supervisory-management course at \$475.00/day or \$2,375.00 for a five-day, 40-hour workshop.

- o Department of Health and Human Services (HHS) - This Agency is decentralized with regard to the delivery of supervisory/management training programs. Central office personnel provide policy guidance, evaluation, support systems, and some developmental activity. HHS has a 40-hour requirement for supervisory training. Some of the training needs are met by OPM courses through regional centers or at Washington D.C.-based workshops.
- o Department of Transportation/Federal Aviation Administration (DOT/FAA) - This Agency has a centrally controlled training policy group but allows most field operations to make many of their training decisions. The Agency uses Cameron College in Lawton, Oklahoma, for much of its management-type training. There is a technical training center at its academy in Oklahoma City for most technical training. At the technical center, the responsibilities for program development are contracted out. When the development is complete, the academy then prepares the actual program and a prototype and conducts the necessary evaluation prior to releasing the program to field locations for actual training.

The cost of technical training in FY 1983 is projected to be \$72,237,000, while the cost of centrally contracted training will run about \$6,925,000. In addition, regional operations will contract for about \$17,272,000 in FY 1983. All other management training will cost about \$10,775,000 in FY 1983. Very little use is made of OPM delivery systems for generic training of supervisors and managers. The Agency feels it has sufficient in-house capabilities to handle all its own supervisory training needs.

- o Department of Treasury - Training authority and responsibility within this Agency are decentralized to each bureau within the Department. The functional head of training in Treasury is the Director of Personnel, who provides leadership, policy guidance, assistance, coordination, and evaluation of departmental training, development, and recognition activities. Each bureau in turn has authority to determine its own needs and meet those needs as it sees fit. Very little use is made of OPM training facilities and resources. In FY 1981, the last year for which we have complete

cost data, the Treasury Department spent \$46,709,782 on training. Of that figure, \$4,000,000 was spent on supervisory/management training.

- o General Services Administration (GSA) - The Agency manages the training program through a central office. Approximately \$5 million is spent on supervisory and management training, one-half of which is Agency-specific and the other half bought through reimbursable delivery systems (OPM or other interagency services). The basic supervisory-type courses are contracted to the Department of Agriculture Graduate School. Currently, the Graduate School is providing "train the trainer" support for the supervisory course. The developmental contract for this program was \$55,000 for what appears to be a standard program with traditional content and traditional teaching methodology. A middle management course is now also under development by the Graduate School, but cost data are not available at this time. Little use is made of OPM course material. Most technical, Agency-specific material is prepared by the GSA training center. GSA does not feel that OPM provides enough subject matter specialists to keep their curricula up-to-date.
- o Department of Energy (DOE) - This Department conducts most of its training in-house because, it feels, its needs and style of doing things are so specialized. Generic training is reserved for only a few of the basic personnel skill areas which OPM delivers through its reimbursable programs. DOE training personnel indicated that line supervisory training is conducted in-house because they believe that they can make more effective adaptations to the specific needs of their bureaus and departments. They are currently developing a list of 26 supervisory tasks which will be the basis of a basic supervisory program. They have also just completed a generic personnel management course developed by an outside contractor for the Department which costs just over \$55,000. Training personnel express the feeling that OPM cannot deliver the type of generic training they need. Therefore, the preponderance of course offerings are customized, in-house programs.

An examination of the Federal Procurement Data Center printouts of training services contract actions above \$10,000 in value showed a number of contracts which could be considered "off-the-shelf" and generic in nature. Table II-26 lists some of these contracts. For FY 1981, a total

of 6,196 contract actions were listed for all categories of training. The analysis narrowed the sample down to a handful of contracts which could be traced and documented through offices in the District of Columbia area, where procurement records would be more easily obtained.

[Table II-26 on following page]

Table II-26

## SAMPLE OF CONTRACTS FOR TRAINING SERVICES

Agency Bureau	Purchase Office	Contractor	Cost
1. U.S. Department of Energy*	Office of Procurement Oper.	Management Concepts	\$ 55,366.00
2. Dept. of Health & Human Services Alcohol Drug Abuse & Mental Health	Div. of Material Management	Management Concepts	\$ 23,464.00
3. Dept. of Health & Human Services Alcohol Drug Abuse & Mental Health	Div. of Material Management	Management Concepts	\$157,851.39
4. Dept. of Labor, Asst. Sec'y for Administration & Management	Office of Procurement	Management Concepts	\$494,181.00
5. Dept. of Labor, Asst. Sec'y for Administration & Management	Office of Procurement	Sterling Institute Inc.	\$372,490.00
6. Dept. of Transportation, Office of the Sec'y of Transportation	Office of Secretary of Transportation	ABL Associates, Inc.	\$104,047.00
7. Dept. of Labor, Asst. Sec'y for Administration & Management	Office of Procurement	Graduate School - USDA	\$518,662.00
8. Dept. of Agriculture Economics Management Services	Economics Management Services	Graduate School - USDA	\$ 22,000.00
9. Dept. of Agriculture* FY'82	Economics Management Services	Graduate School - USDA	\$ 24,000.00
10. General Services Admin.*	Office of Employee Development & Training	Graduate School - USDA	\$ 58,000.00
11. General Services Admin.*	Office of Employee Development & Training	Graduate School - USDA	\$ 58,000.00
12. General Services Admin.*	Office of Employee Development & Training	Graduate School - USDA	\$270,188.00

\* Not on FFDC printout

## Conclusions

There is enough evidence based on the actual data gathered as well as the oral descriptions supplied by various agency training personnel to conclude that no standard practice exists for the contracting of generic training program offerings.

Where auditing is evident, little attempt is made to prevent duplicating effort. On the contrary, even when a delivery system and program already exist, some agencies go out of their way to customize or otherwise avoid using OPM courses or curriculum materials. Much of this appears to be a perceived need to adjust training courses to meet the "special conditions" of each agency, or at least in part to the "not invented here" syndrome.

Two conclusions at least can be drawn from the data gathered in the study of this issue:

- o OPM is not sought out as a first choice for filling generic supervisory training program needs in the Federal Government. While this may be due to concern about the quality of OPM programs, the Task Force believes that it still is to a great extent due to the feeling of proprietorship in agencies' "own programs."
- o Agencies are not subject to rigorous audits when it comes to spending discretionary funds for generic training, nor does it appear that they concern themselves too much with trying to avoid duplication of effort. This finding is supported by the review of contract actions and by the Task Force's interviews with agency training officers. There is no penalty for doing otherwise and no reward for doing it correctly.

## Recommendations

PER 14-1: OPM should undertake a major study to determine what kinds of generic training for first line supervisors will meet the basic and universal needs of agencies. This study should include the identification of those skills and competencies affecting supervisory practices and behaviors, no matter where they are practiced in the Federal Government.

PER 14-2: OPM should develop the courses, identify the experiences, and design the mechanisms by which these skills and competencies can be mastered, including the full range of learning software modules and materials necessary for meeting minimum criteria levels.

PER 14-3: OPM should develop a means of certifying any agency personnel responsible for conducting first line supervisory training. This "train the trainer" approach has already been proven to be an absolutely essential precondition to program success in both highly decentralized organizations and organizations requiring repetitive training actions.

PER 14-4: OPM should develop an auditing system which could track the number of first line supervisors requiring training, enroll or otherwise ensure that the home agency enrolls each eligible supervisor in the basic supervisory training course, and record the satisfactory completion of the course.

PER 14-5: OPM and the Office of Management and Budget (OMB) should develop a means of monitoring requests for proposals and contracts for the development of any generic supervisory training programs which duplicate those programs that already exist.

PER 14-6: OPM should provide a clearinghouse function for all agencies with respect to the availability of supervisory training programs, their delivery and effectiveness.

#### Savings and Impact Analysis

Using the current data obtained from the Federal Procurement Data Center and the sample of contract actions as listed in the Findings section, it is apparent that significant duplication and overlap exist in generic-type training efforts. The cost savings which could be expected as a result of implementing the recommendations cannot be stated precisely at this time. However, based on the interviews with agency training personnel and on the review of contract actions, the duplication of effort in supervisory training programs could be as high as \$20 million per year.

One of the major difficulties in determining accurate training costs is the problem of adequately recording and systematizing budget data. The Task Force arrived at the conclusion that no one in the Federal Government knows how much in total is being spent on training.

Depending on whether training is a significant budget item or not, agencies may or may not give great visibility to that item of expenditure. There is much to be gained in identifying the training activity in as much detail as possible, so that it can be evaluated and changed where necessary. This adds to management's ability to make more effective decisions regarding the training needs of the agencies.

As a secondary issue calling for further study, it appears that the whole question of accurately reporting and planning for training within the Federal Government would be greatly facilitated by a procedural directive requiring all training to appear as a separate line item on each agency's budget documents. The encoding of such data would capture vital information which is essential to the effective management of the human resources throughout the Federal Government.

Returning to the question of impact, the findings of this study clearly show that without the necessary management controls, budgeting and otherwise, the continuation of wasteful, inefficient duplication of training effort is likely.

### Implementation

The recommendations made are within the normal jurisdiction of OPM and its current authority. The first steps required to bring about the recommended changes would not require any change in this authority through changes in the law. However, if the steps taken were to meet with resistance, it might be advisable to seek Executive Order authority to bring about the desired results. It would appear that the current leadership, with its commitment to bring about more effective management practices, is sufficient to initiate these recommended actions.

The more specific implementation steps, then, for each of the recommendations are as follows:

PER 14-1: In order to bring about a universal understanding of Government-wide supervisory training needs, an inter-agency group task force should begin to work on this issue under the direction of OPM's Workforce Effectiveness and Development Group. This group should make its recommendations after discussion with and opportunity for input from line management as well as development and training professionals in the central office and regional locations around the country. Additional input should be obtained from private sector sources with a proven track record of success in supervisory development and training, and input should be sought from academics, where appropriate, to take advantage of the most up-to-date theoretical bases for human resources development.

PER 14-2: OPM, with the help of others, should develop pilot/prototype materials for purposes of field testing the software/hardware materials to support training programs. Thorough field testing should be followed by rigorous evaluation of results, revision of pilot materials, and specifications for operational/commercial packages.



PER 14-3: The development of the pilot programs should be integrated with the development of the "train the trainer" materials. These too, must be pilot tested in field situations. They would also undergo revisions as required and become the part of software for the certification package.

PER 14-4: Together with OMB, OPM should assign existing management information systems personnel to the task of developing the manual and automated data processing systems required for capturing training data from all agencies. Again, a user orientation would help in developing the system that must be easy to use and manage.

PER 14-5: OMB, OPM, and GSA must work together to develop a system for monitoring the contracting process to prevent duplication of effort.

PER 14-6: OPM has begun a resource sharing project through its training information branch. This modest beginning should be expanded by mechanizing the data and by developing an inventory/library resource system that can be easily updated. The Social Security Administration indicates its intention to start such a system for its needs. It may be advisable to check all such projects to see whether some standardization of approach can be used which all agencies would find workable.

## II. ISSUE AND RECOMMENDATION SUMMARIES (CONT'D)

### D. TRAINING AND DEVELOPMENT SERVICES (CONT'D)

#### PER 15: EXECUTIVE SEMINAR CENTER OPERATIONS

##### Issue and Savings

Can current operating costs of the Office of Personnel Management's (OPM) Executive Seminar Centers be reduced through improved productivity and more efficient facilities utilization?

A net savings of \$2.25 million could be generated over three years through center relocation and improved management.

##### Background

The Executive Seminar Center operations fall under the jurisdiction of the Executive and Management Development Branch of OPM's Workforce Effectiveness and Development Group. The Executive Seminar Centers are residential inter-agency training and development facilities that aid Government Agencies in meeting programmatic, executive, and managerial needs. They are located at Kings Point, New York; Oak Ridge, Tennessee; and Denver, Colorado.

The resident staff consists of professional, educational, and developmental specialists. It is supplemented with visiting faculty drawn from the leadership ranks of all levels and branches of government, as well as from business, industry, and academia.

The current issue is whether the location and operation of the three existing Executive Seminar Centers are cost effective from two standpoints:

- o Whether the geographic location is responsive to the demographics of the population, namely, GS-13 to GS-15 managerial personnel, and
- o Whether the staffing of the seminar centers, i.e., faculty-to-student ratios, are cost efficient. Presently there are 14 GS-14 level professionals, 9 clericals, and 3 seminar center directors for the three centers.

A basic assumption of this issue is that OPM regards the Executive Seminar Center program as a necessary component of the strategy to improve and maintain management training within the Federal Government. Thus far, there is no indication that the Executive Seminar Centers will decline in value or activity. On the contrary, it appears that OPM's leadership expects the enrollment numbers to increase steadily into the foreseeable future, at least for the next two to three fiscal years. These assumptions are consistent with a Government-wide need to develop middle- and upper-level managers and to maintain a cadre of competent management candidates at each level for all agencies and departments.

With these assumptions in mind, the present delivery system for this population, namely, the Executive Seminar Center, needs both to be responsive to demand for facilities by potential attendees and to maintain a more cost-effective operation through increased productivity by the instructional staff.

OPM's official position is to closely monitor the present location and utilization of the Centers as well as to project the anticipated future demand so that productivity improvements can be realized.

#### Methodology

The collection and analysis of data to be used in this study were divided into the following steps:

- o Central Personnel Data Files were used to gather information about the geographic dispersion of Federal Grades GS-13 through GS-15 by regional breakdowns as well as by Standard Metropolitan Statistical Area.
- o The Task Force determined the most effective location for the Centers necessary to accommodate the largest concentration of the target population (GS-13 through 15).
- o The current operating costs of the existing Centers were analyzed.
- o The Task Force analyzed costs of staffing related to current workload assignments to assign more seminars to fewer staff to improve productivity.

### Findings

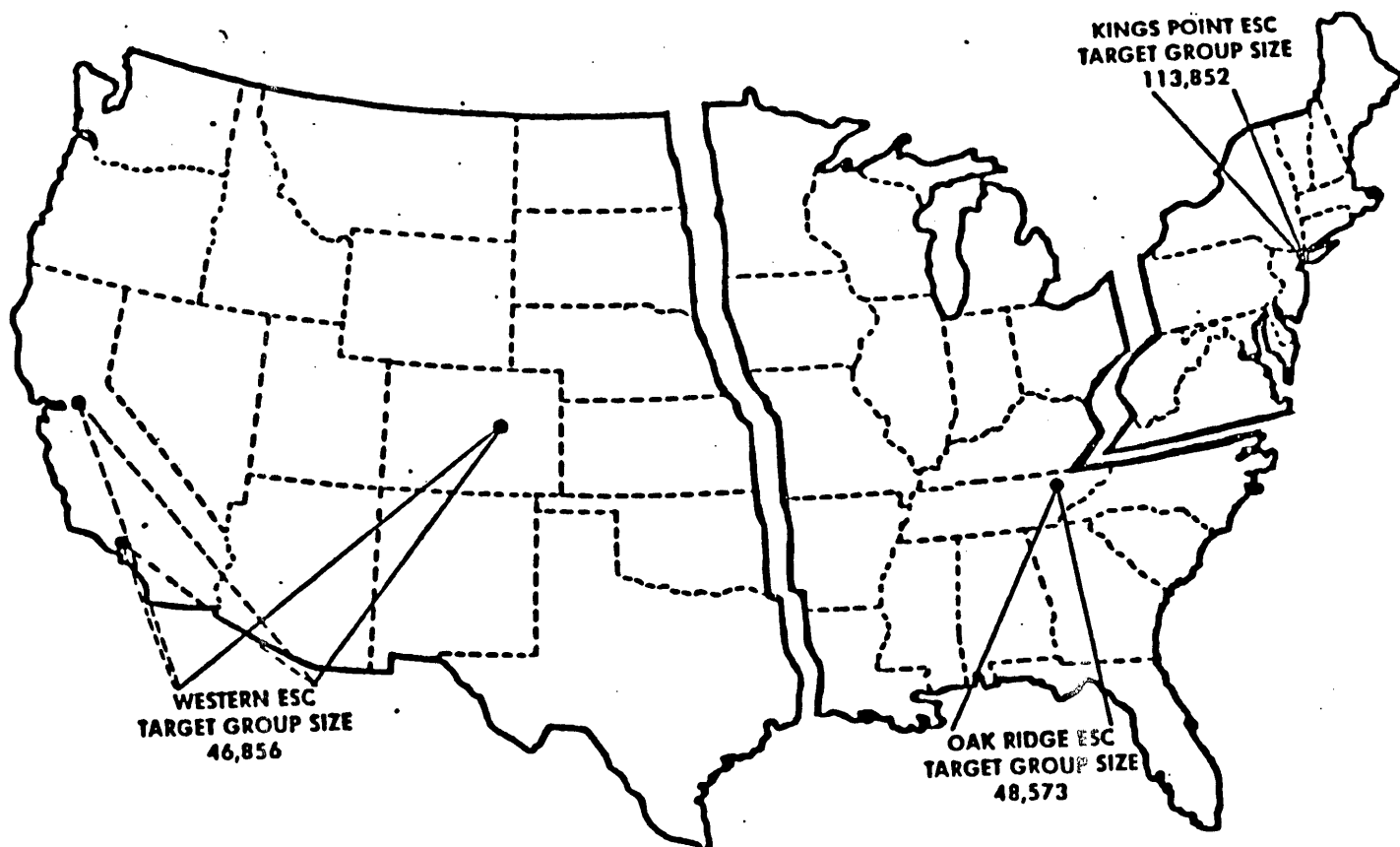
The Kings Point, New York, Executive Seminar Center which serves the east coast has a capacity to house only 38 students in any one session. It is far too small to respond to the high population of Grades 13 to 15 in the area it serves. There are 78,770 persons in Grades 13 to 15 in the Washington, D.C., area alone. This number represents 37.7 percent of the total population of 209,281 in these grades. Adding 34,982 more GS-13 to GS-15 located in the mid-Atlantic, Eastern, and New England Regions (See Figure II-2 on following page) shows 113,852 employees in these grades, or 54.3 percent of the total population.

The Oak Ridge, Tennessee, Executive Seminar Center serves the Middle States Region, where the population of GS-13 to GS-15 totals 47,573 persons. Based on enrollment projections for FY 1983 and beyond, Oak Ridge is probably not the best candidate for expanded facilities. Its present capacity of 65 to 70 students is made possible by the utilization of a renovated basement acquired from the General Service Administration (GSA). The key item for expansion potential, however, is the available accommodations for hotel and food service.

The Denver, Colorado, Executive Seminar Center which serves the West is poorly situated to be responsive to the geographic dispersion of Grades 13 to 15 in the Far West. California alone has a population of 14,337 in this group, with heavy concentrations in the San Francisco and Los Angeles areas. The Pacific Coast states of California, Oregon, Washington, Alaska, and Hawaii have a combined GS-13 to GS-15 population of 21,192. The mountain states of Montana, Idaho, Wyoming, Utah, Colorado, Arizona, Nevada, and New Mexico combined have only 12,161.

The three Executive Seminar Centers currently in operation are overstaffed in view of the workload, leading to underutilization of staff. Oak Ridge and Denver each has a Center Director and five GS-14 professionals. Kings Point has only four GS 14 professionals in addition to its Director. (It should be noted that GS-14 salary levels range from \$41,277 to \$53,661). Each Center has three clericals.

Oak Ridge and Denver schedule 22 two-week seminars each year, while Kings Point can schedule only 20 seminars per year because the host landlord, the Merchant Marine Academy, closes down for a month each year. The assignment system in the Executive Seminar Center is to have one professional as the seminar director and another professional as his or her backup for each two-week session. Dividing the seminars equally would mean in Oak Ridge and Denver that each professional would be acting as a seminar director for four to



**FIGURE II-2**

**FEDERAL GS 13 - 15 POPULATION ARRAYED BY PRINCIPAL  
ESC TARGET GROUPS  
SOURCE: OPM CPDF, JANUARY 31, 1982  
TOTAL POPULATION: 209,281**

five seminars and as a backup for the same number. Thus each professional would be actively engaged in the conduct of seminars for 16 to 20 weeks (4 weeks as director and 4 weeks as backup, multiplied by 2 weeks per seminar). The remainder of the professional staff time is needed to structure the seminars, identify and arrange for speakers, and other administrative chores. At Kings Point, if the workload were divided equally, a professional staff of four would handle only 20 seminars for 20 weeks.

### Conclusions

Geographic dispersion, travel costs to agency participants, and potential increases of participants from areas proximal to the Western Region strongly support a California location for the Western Executive Seminar Center. However, caution should be exercised with regard to the unknown comparative operating costs of potential California locations until detailed cost comparison studies are conducted.

Geographic dispersion data, relatively small student capacity, marginal student housing, and problems of food service quality support consideration for a new Executive Seminar Center in the Eastern-Northeastern corridor. While current operating costs are very favorable, other factors mentioned above militate against staying in Kings Point for an indefinite period.

The downturn in Executive Seminar Center enrollments in FY 1982 has left Oak Ridge with an excess of space, and predictions for the next two to three years indicate that space sales will remain flat. In addition, the geographic dispersion data show that Oak Ridge is not the best candidate for an expanded facility to serve the Center and Midwestern regions. Probable cost reductions could be attained by relinquishing part of the existing basement space.

The assignments and workloads based on FY 1982 actual figures and anticipated FY 1983 and FY 1984 projected spaces for Executive Seminar Center sessions in relationship to the present professional staff suggest overstaffing and opportunities for reduced costs and improved productivity.

### Recommendations

In all respects the recommended actions to be taken should be under the guidance and jurisdiction of OPM's Workforce Effectiveness and Development Group. Specifically, the Executive and Management Development Branch should provide the primary impetus for undertaking the actions recommended.

PER 15-1: Initiate a site search in the San Diego, Sacramento, San Francisco, and Los Angeles, California areas for relocation, in FY 1984, of the present Denver Executive Seminar Center.

PER 15-2: By June 15, 1983, complete a cost comparison of all potential sites and, on the basis of all available data, determine the final location of the Western Executive Seminar Center.

PER 15-3: Initiate a site search in the Washington, D.C. - New England corridor for a facility with the capacity to handle a minimum of 45 participants and to double that capacity if necessary. The site search and decision should be made by October 1, 1983, and the facility made available by FY 1985.

PER 15-4: Monitor the use of the Oak Ridge Center during 1983 and turn the excess space back to GSA if it is not cost effective at the end of that period.

PER 15-5: Cut the professional staff at the Executive Seminar Centers to three professionals. Each professional would handle approximately seven seminars as a director and seven as a backup for a total of 28 delivery weeks.

#### Savings and Impact Analysis

The savings estimates were developed by private sector training experts working with their OPM counterparts.

PER 15-1 and 15-2: There will be an initial one-time cost of about \$200,000 to move the Denver Executive Seminar Center to California. However, once this has been accomplished, the access to a more adequate facility with increased enrollments and the subsequent and recurring savings in travel, per diem, and annual costs to participants could amount to \$200,000 in annual savings.

PER 15-3: The move from the Kings Point Executive Seminar Center to a new site will probably involve a one-time cost of \$205,000. However, the increase in enrollments and the attendant income from those enrollments could amount to \$310,000 per year. Equally importantly, the Center would be close to the concentrations of the target population.

PER 15-4: The closing of part of the Oak Ridge Executive Seminar Center would generate savings of about \$50,000 in operating costs initially. Recurring cost savings have not been projected.

PER 15-5: By reducing professional staff at each of the Centers from the current level to three professionals, approximately \$250,000 per year would be saved. This would be a recurring savings each year.

Table 11-27 details the cost projections for these recommendations. The net savings for three years after implementation would be \$2.25 million.

Table II-27

EXECUTIVE SEMINAR CENTERS  
COST/SAVINGS ANALYSIS  
(\$ thousands)

By Recommendation:

	Implementation Costs (FY 1983)	Savings (a) annual (o) one-time
PER 15-1 and 15-2	\$200	\$200 (a)
PER 15-3	205	310 (a)
PER 15-4		50 (o)
PER 15-5		<u>250 (a)</u>
Total:	\$405	\$810

By Fiscal Year:

	<u>Costs</u>	<u>Savings</u>
FY'83	\$405	\$ 760
'84		886 <u>1/</u>
'85		<u>1,012</u> <u>2/</u>
Total:	<u>\$405</u>	<u>\$2,658</u>
Net Savings:		\$2,253

1/ Assumes a growth factor of 10% over previous year plus \$58,000 in one-time savings.

2/ Assumes an 21% growth factor over base year.



Implementation

All of the recommendations can be implemented through the existing authority of OPM.

Additional Information

Much of what appears in these recommendations has already been studied and preliminary work has been initiated by OPM.